

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**THE PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY
AUTHORITY’S LIMITED OBJECTION TO MOTION OF DEBTORS FOR AN ORDER
ESTABLISHING, AMONG OTHER THINGS, PROCEDURES
AND DEADLINES CONCERNING OBJECTIONS TO CONFIRMATION
AND DISCOVERY IN CONNECTION THEREWITH**

The Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”), acting pursuant to the authority granted to it under the *Puerto Rico Fiscal Agency and Financial Advisory Authority Act*, Act 2-2017, respectfully submits this limited objection to the *Motion of Debtors for an Order Establishing, Among Other Things, Procedures and Deadlines Concerning Objections to Confirmation and Discovery in Connection Therewith* [ECF 16757] (the “Scheduling Motion”).² In support of this limited objection, AAFAF respectfully states as follows:

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the elected Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² Capitalized used but not otherwise defined herein have the meanings ascribed to them in the Scheduling Motion.

LIMITED OBJECTION

1. AAFAF objects to the Scheduling Motion to the extent it fails to provide the Government with an opportunity to review and object to any issues with the Debtors' proposed confirmation order (the "Confirmation Order"). As the Confirmation Order's provisions will seek to bind the Government, the Government must have a full and fair opportunity to object, if necessary.

2. The Debtors' Scheduling Motion proposes (i) that the Court set an October 8, 2021 deadline for all objections to confirmation, and (ii) that the deadline for Debtors to file the Confirmation Order is over two weeks later, on October 25, 2021. The proposed schedule is inappropriate and unacceptable to AAFAF as it permits no opportunity for the Government to review, and if necessary, object to the provisions of the Confirmation Order before the close of objections.

3. The Confirmation Order will be a critical component of Debtors' Plan, particularly if legislation necessary to implement the Plan is not enacted. As discussed in AAFAF's limited objection to the Disclosure Statement, it appears unlikely that enabling legislation will be passed if the Plan continues to include unnecessary pension cuts and freezes. Absent legislation, the Government anticipates that the Confirmation Order will be the conduit through which the Oversight Board will seek to bind the Government to aspects of the Plan that traditionally require Puerto Rico legislation. Indeed, the Oversight Board stated as much in the Disclosure Statement. *See* Disclosure Statement at 503 ("There is no certainty such legislation will be enacted, and if it is not, the Oversight Board will seek judicial relief in lieu thereof pursuant to PROMESA Section 305, allowing the Title III Court to interfere with governmental and political powers in a plan of adjustment or with the consent of the Oversight Board . . ."). Accordingly, it is of paramount

importance that the Government has an opportunity to review, and if necessary, object to the Confirmation Order.

4. Accordingly, for these reasons AAFAF objects to the Scheduling Motion to the limited extent set forth above and request that the schedule be amended to provide that the deadline (i) to file the Confirmation Order is at least 21 days before the Confirmation Hearing, and (ii) to object to the Confirmation Order, is 14 days after its filing.

RESERVATION OF RIGHTS

5. AAFAF reserves the right to submit other and further objections to approval of the Scheduling Motion at or before the hearing if the Scheduling Motion is further supplemented or amended at a later date.

WHEREFORE, AAFAF respectfully requests that for the reasons set forth herein, the Court should enter an order consistent with the foregoing.

Dated: June 15, 2021
San Juan, Puerto Rico

Respectfully submitted,

/s/ John J. Rapisardi

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